

U. S. BANKRUPTCY COURT MIDDLE DISTRICT OF FLORIDA JACKSONVILLE DIVISION **PROOF OF CLAIM**

Name of Debtor: **Taylor, Bean, & Whitaker Mortgage Corp.** Case Number: 3:09-bk-07047-JAF

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom the debtor owes money or property):
Universal Master Servicing, LLC, solely in its capacity as master servicer of certain mortgage loans owned by Atlantic Coast Bank

Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number: **C-17430**
FILED
JACKSONVILLE, FLORIDA

JUN 14 2010

CLERK, U. S. BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA

Name and address where notices should be sent:
Universal Master Servicing, LLC, as Master Servicer
Atlantic Coast Bank Portfolio
Attention: Brett Handelman
c/o Wells Fargo Bank, N.A.
9062 Old Annapolis Road
MAC N2701-011
Columbia, Maryland 21045-1951
Alston & Bird LLP
Attn: John C. Weitnauer
1201 West Peachtree St.
Atlanta, Georgia 30309-3424
(404) 881-7780

Name and address where payment should be sent (if different from above):
Brett Handelman, President
Universal Master Servicing, LLC, as Master Servicer (Atlantic Coast Bank Portfolio)
c/o Wells Fargo Bank, N.A.
9062 Old Annapolis Road
MAC N2702-011
Columbia, Maryland 21045-1951
Tel: (410) 884-2205 Email: brett.m.handelman@wellsfargo.com

RECEIVED

JUN 14 2010

BMC GROUP

Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: \$ See Attachment
If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.
If all or part of your claim is entitled to priority, complete item 5.
 Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim: See Attachment
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____
3a. Debtor may have scheduled account as: _____
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.
Nature of property or right of setoff: Real Estate Motor Vehicle Other
Describe:
Value of Property: \$ _____ Annual Interest Rate _____
Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____
Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.
Specify the priority of the claim.

Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).

Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).

Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).

Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).

Other - Specify applicable paragraph of 11 U.S.C. §507 (a)(____).

Amount entitled to priority:
\$ _____

*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.)
DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.
If the documents are not available, please explain:

Date: 6/14/10
Signature: [Signature]
Name and Title: Brett Handelman, President, Universal Master Servicing, LLC, as Master Servicer
FOR COURT USE ONLY
T, B & W Mortgage Corp.
02579

IN RE: TAYLOR, BEAN & WHITAKER MORTGAGE CORP.

Case No. 3:09-BK-07047-JAF

DATE OF FILING: August 24, 2009 (the "Petition Date")

ATTACHMENT TO PROOF OF CLAIM

Universal Master Servicing, LLC ("UMS"), in its capacity as master servicer (the "Master Servicer") of certain mortgage loans owned by Atlantic Coast Bank ("ACB"), files this proof of claim ("Proof of Claim") against Taylor, Bean & Whitaker Mortgage Corp. ("TBW" or the "Debtor").

I. The Mortgage Loans.

Prior to the Petition Date, the Debtor originated and sold a group of residential mortgage loans (the "Mortgage Loans") to DLJ Mortgage Capital, Inc. ("DLJ") pursuant to the terms of a Seller's Purchase, Warranties and Servicing Agreement dated as of February 1, 2007 (the "Servicing Agreement"), by and between DLJ, as purchaser, and TBW, as seller and servicer. In turn, DLJ sold and assigned the Mortgage Loans to Morgan Keegan Mortgage Company, Inc. ("Morgan Keegan") pursuant to the terms of a Mortgage Loan Purchase Agreement dated as of December 27, 2007 (together with any accompanying assignment, assumption and recognition agreements, the "MLPA") between DLJ and Morgan Keegan. Next, Morgan Keegan assigned the Mortgage Loans to ACB pursuant to an Assignment, Assumption and Recognition Agreement dated December 27, 2007 (the "AAR") by and among Morgan Keegan, DLJ, ACB and the Master Servicer. In conjunction with the sale of the Mortgage Loans from DLJ to Morgan Keegan and the assignment from Morgan Keegan to ACB, the Debtor entered into the Reconstituted Servicing Agreement dated as of December 27, 2007 (the "RSA") by and among Morgan Keegan, DLJ, TBW, ACB and the Master Servicer, whereby the Debtor agreed to continue to service certain of the Mortgage Loans in accordance with the Servicing Agreement and acknowledged that the Master Servicer would oversee such servicing in accordance with the Master Servicing Agreement dated as of December 27, 2007 (the "Master Servicing Agreement") and together with the Servicing Agreement, the MLPA, AAR and the RSA, the "Agreements"), by and between Morgan Keegan and the Master Servicer which was also assigned to ACB pursuant to the terms of the AAR.¹

The Debtor agreed to service the Mortgage Loans in accordance with the terms of the Servicing Agreement, the AAR and the RSA. These obligations included, but were not limited to (i) collecting principal and interest payments on the Mortgage Loans, and receiving and holding moneys in escrow for purposes of paying property taxes and insurance premiums, (ii) establishing and maintaining custodial and escrow accounts, (iii) advancing certain amounts with

¹ The Agreements are voluminous and therefore provisions in such Agreements relevant to the Claims asserted in this Proof of Claim are summarized herein. On information and belief, the Debtor has a copy of such Agreements. UMS can make copies of such Agreements available upon request.

respect to principal and interest payments that were due on the Mortgage Loans during the applicable period and which were delinquent at the close of business on a specific determination date, (iv) monitoring and identifying delinquent Mortgage Loans and taking appropriate action, including pursuit of foreclosure actions, with respect to such Mortgage Loans, (v) timely remitting funds collected on the Mortgage Loans to the Master Servicer, and (vi) providing specific reports, data, and other information regarding the Mortgage Loans.

Pursuant to Section 4 of the RSA and Section 2.01(a) of the Master Servicing Agreement, UMS, as Master Servicer, on behalf of ACB, assumed responsibility for monitoring, overseeing and enforcing TBW's obligations regarding the Mortgage Loans under the terms of the Servicing Agreement and RSA and is therefore the correct party to assert claims as further described below.

II. Events Leading up to the Debtor's Bankruptcy

On August 4, 2009, the United States Department of Housing and Urban Development ("HUD") suspended or terminated TBW's HUD/FHA origination and underwriting approval. Also on August 4, 2009, Freddie Mac notified TBW that TBW's eligibility as a Freddie Mac seller and servicer was terminated for cause, effective immediately.

On August 5, 2009, a hold was placed on the Debtor's accounts at Colonial Bank, N.A. ("Colonial"). On August 14, 2009, the Alabama State Banking Department closed Colonial and the Federal Deposit Insurance Corporation ("FDIC") was named receiver. The FDIC exercised its statutory powers as receiver to freeze all activity in the Debtor's accounts at Colonial, and all such accounts remain frozen as of the date of this Proof of Claim.

Following the FDIC freeze of the Colonial accounts, TBW established new bank accounts, or deposited funds into existing accounts, at Wachovia Bank, National Association ("Wachovia") and later at Regions Bank ("Regions") which mirrored the account structure at Colonial and were used to deposit collections received from borrowers on the Mortgage Loans. On information and belief, the amounts on deposit in the accounts maintained at Wachovia were later combined with the amounts on deposit at Regions. There have been no disbursements from the Regions accounts to the Master Servicer as of the date of this Proof of Claim. On information and belief, the Debtor may also currently maintain, or at one point did maintain, other accounts containing Owner moneys at other institutions, including the Royal Bank of Canada.

TBW filed for bankruptcy on August 24, 2009.

III. Breaches of the Debtor's Obligations

Section 4.01 of the Servicing Agreement required the Debtor, as servicer, to "service and administer the Mortgage Loans in accordance with [the Servicing Agreement] and with Accepted Servicing Practices...." Accepted Servicing Practices is defined in the Servicing Agreement to be "those mortgage servicing practices (including collection procedures) of prudent mortgage banking institutions which service mortgage loans of the same type as such Mortgage Loans in the jurisdiction where the related Mortgaged Property is located and which are in accordance with Fannie Mae servicing practices and procedures, for MBS pool mortgages, as defined in the

Fannie Mae Guides including future updates.” Without limitation, the Servicing Agreement required TBW, as servicer, to remit all payments received from borrowers, advance any required principal and interest amounts or other servicing advances out of its own funds, and provide accounting reports and statements to the Master Servicer, in each case in accordance with the terms of the Servicing Agreement. In addition, the Servicing Agreement required TBW to hold all Owner funds “separate and apart from any of its own funds and general assets.” See, without limitation, Sections 4.04 and 4.06 of the Servicing Agreement. The preceding summary is qualified by the terms and conditions of the Servicing Agreement, and all of the undertakings, obligations, covenants, representations, warranties, and agreements of TBW as servicer, seller or originator are collectively referred to herein as the “Debtor’s Obligations.”

As specified in Section 8.01 of the Servicing Agreement, the servicer may be terminated for cause if certain events occur. Such events include, but are not limited to (i) a failure to timely remit any required Remittance Amounts (as defined herein) that remain uncured for one business day, (ii) a failure to observe and perform in any material respect the covenants and agreements required on the part of the servicer under the Servicing Agreement, (iii) a breach of any of the representations and warranties of the Debtor in Section 3.01 of the Servicing Agreement, (iv) a failure to (y) properly maintain a license to service first lien residential mortgage loans in each jurisdiction in which a mortgaged property is located and such licensing is required, and (z) qualify to transact business in any jurisdiction where it was so qualified, to the extent such non-qualification materially and adversely affects the servicer’s ability to perform its obligations under the Servicing, (v) a failure to be an approved Fannie Mae or Freddie Mac seller or servicer, (vi) a failure to meet eligibility criteria specified within the Servicing Agreement, or (vii) file a petition for bankruptcy or voluntarily suspend payment of its obligations. Prior to the Petition Date, certain of the events specified in Section 8.01 of the Servicing Agreement had occurred and had not been cured within any applicable cure period, and the Debtor also failed to perform numerous of its Debtor’s Obligations (collectively, the “Debtor’s Breaches”). As a result of the Debtor’s Breaches, UMS in its capacities as Master Servicer, as applicable, has “Claims” (as such term is defined 11 U.S.C. § 101(5)) against the Debtor, which it asserts on its own behalf, as further specified below.

IV. Claims of UMS in its Capacity as Master Servicer.

A. Late Remittance Interest Amounts

Pursuant to Section 5.01 of the Servicing Agreement, on each remittance date (“Remittance Date”) TBW, as servicer, was obligated to remit to the Master Servicer for deposit in the Master Servicer’s custodial account amounts held in the servicer maintained custodial account (“Custodial Account”), which amounts include all collections received from the borrowers as well as any required advances the servicer was obligated to make under the Servicing Agreement (collectively, the “Remittance Amount”). The Remittance Date occurs on the 18th day of each month, or if the 18th day is not a Business Day (as defined in the Servicing Agreement), the first Business Day immediately preceding such date. The Master Servicer in turn distributes all available funds from the Master Servicer’s custodial account to ACB on the 25th day of each month, or if the 25th day is not a Business Day (as defined in the Master Servicing Agreement), the next Business Day (the “Distribution Date”) in accordance with the provisions contained in the Master Servicing Agreement. Pursuant to Sections 4.05(iii) and 4.04 of the Master Servicing

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Agreement, the investment income earned on amounts held in the Master Servicer custodial account between the Remittance Date and the Distribution Date is additional compensation to UMS for acting as Master Servicer.

Section 5.01 of the Servicing Agreement provides that in the event TBW, in its capacity as servicer, fails to timely remit all required amounts to the Master Servicer on each Remittance Date, the Debtor is required to pay interest on the Remittance Amounts at a rate equal to the Prime Rate (as defined in the Servicing Agreement), adjusted as of the date of each change in such rate, *plus* three percentage points, to the extent permitted by applicable law (the "Late Remittance Rate"). Such interest begins accruing on the day following the Remittance Date and ends on the business day on which such payment is made, both inclusive (such period of time, a "Late Pay Period").

On each Remittance Date the Debtor was required to remit to the Master Servicer collections received during the related Due Period (as defined in the Servicing Agreement). The Debtor failed to remit the Remittance Amount to the Master Servicer on the Remittance Dates beginning in August 2009. As of the date of this Proof of Claim, the Debtor has still not remitted the Remittance Amount. Therefore, in accordance with Section 5.01 of the Servicing Agreement, UMS has a claim against the Debtor for interest on all unpaid Remittance Amounts at the Late Remittance Rate.

As a result of the FDIC's continued freeze of all of the Debtor's accounts on balance at Colonial and Regions, UMS is unable to accurately determine the applicable late remittance interest amount described in this section. Accordingly, UMS reserves the right to revise or amend this claim in the future once additional information becomes available.

B. UMS is Entitled to Indemnification from the Debtor.

UMS's right to indemnification from TBW is found in two documents. First, pursuant to Section 7.01 of the Servicing Agreement, the Debtor agreed "to indemnify the Purchaser and hold it harmless against any and all claims, losses, damages, penalties, fines, forfeitures, legal fees and related costs, judgments, and any other costs, fees and expenses that the Purchaser may sustain in any way related to the failure of the Servicer to observe and perform its duties, obligations, covenants, and agreements to service the Mortgage Loans in strict compliance with the terms of the [Servicing Agreement]." Second, Sections 3 and 4 of the RSA incorporate the provisions of the Servicing Agreement and give the Master Servicer the right to enforce all the rights of the purchaser, which rights include the enforcement of an indemnity which runs for the benefit of the Master Servicer. All sections are collectively referred to herein as the "Indemnification Provisions." The Indemnification Provisions survive the Debtor's term as servicer of the Mortgage Loans and therefore, UMS has a contingent, unliquidated claim for any indemnification obligations that may become known in the future.

UMS may incur losses, claims, expenses, costs or liabilities (collectively, "Losses") as a result of the Debtor's Breaches. In accordance with the Indemnification Provisions, UMS is entitled to indemnification for any Losses incurred in connection with any of the Debtor's Breaches. Accordingly, UMS has an unliquidated claim against the Debtor with respect to such expenses that may arise. UMS reserves the right to revise or amend this amount in the future.

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V. Reservation of Rights.

In addition to Claims it has under the Agreements, UMS may have additional rights under applicable law related to its role as Master Servicer.

UMS, on behalf of itself, hereby asserts all of its Claims arising out of or relating to its capacities as Master Servicer, or as Master Servicer, on behalf of ACB, including without limitation, any and all claims arising under the Agreements. The description of any specific Claims in this Proof of Claim does not limit (and is not intended to limit) the generality of the Claims asserted herein. UMS intends, by the filing of this Proof of Claim, to assert any (i) right to payment it may have against the Debtor, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured or (ii) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured, arising from or related to UMS's role as Master Servicer or otherwise arising out of or related to the Agreements.

UMS reserves its rights to file and assert any Claims that arise or may arise after the filing of this Proof of Claim. UMS also reserves its rights to file an amendment to this Proof of Claim to assert a liquidated amount for any such Claims that arises after the filing of this Proof of Claim.

Nothing set forth in this Proof of Claim or otherwise, including, without limitation, any later appearance, pleading, claim, or action, is intended or shall be deemed to be a waiver, release, or modification by UMS of its (a) right to have final orders in noncore matters entered after *de novo* review by a District Judge; (b) right to trial by jury in any proceeding so triable in this case or any case, controversy, or proceeding related to these cases; (c) right to have the District Court withdraw the reference in any matter subject to mandatory or discretionary withdrawal; or (d) other rights, remedies, claims, actions, defenses, setoffs, or recoupments to which UMS is or may be entitled, all of which are hereby expressly reserved.

UMS specifically reserves all rights to supplement, amend, or modify this Proof of Claim with any information, including, without limitation, updated amounts or to list other claims of liability relating to UMS' role as Master Servicer. UMS also reserves its rights to seek the allowance and payment of any administrative expense claim pursuant to 11 U.S.C. § 503 for any post-petition damages, Losses, or expenses arising out of any breach of any obligation by the Debtor under the Agreements or under other applicable law, including for post-petition liabilities, costs, losses, damages, or expense relating to or arising from UMS' role as Master Servicer.